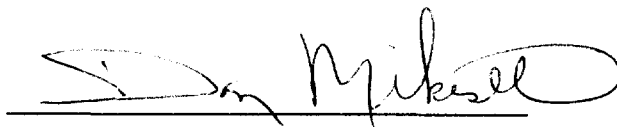


The Role of Executive Boards in Not-For-Profit Organizations

An Honors Thesis (HONRS 499)

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Chapter One Introduction

Purpose of Thesis

The purpose of this thesis is to provide prospective board members for not-for-profit organizations with information about duties and responsibilities associated with serving on a board of directors.

Introduction

Not-for-profit organizations are becoming more and more common in today's society with an estimated 1.2 million private, not-for-profit organizations operating in the United States. (Boards That Work: A Practical Guide to Building Effective Association Boards. Eadie, Douglas C. American Society of Association Executives: Washington D.C., 1994. pg. 9). Non-profits are central to our society because they are flexible enough to focus on specific purposes and free of the red-tape restraints of government and the profit requirements of business. Non-profits are the business and government middle-man, tackling projects that may not be feasible by either alone. Each of these organizations turns to community members, though, for direction and professional skill to achieve such a purpose. Citizens of every race, educational level, and socio-economic background can contribute to the cause of a non-profit through various volunteerism programs. It is a special volunteer, though, who is asked to contribute to the master-minding of an organization's mission, purpose, and fundraising on a long term basis. Executive boards in non-profit organizations ask community activists to take on these leadership roles and the legal responsibilities which accompany such a commitment. As the number of needy people, segments of society, and organizations increase, the more capable board members will be needed. Understanding the overall purpose of board service and individual contributions can help facilitate the future of board members everywhere.

The role of not-for-profit executive boards often goes unnoticed by the general public or even part-time volunteers of an organization. The executive board or board of directors is ultimately responsible for understanding and perpetuating the mission of an organization, whether it is part of the for-profit sector or the not-for-profit world.

(Governing Boards: Their Nature and Nurture. Houle, Cyril O. Jossey-Bass: San Francisco, 1989. pg 12.) The board of directors may be overlooked because the image of executive director is often estimated as ultimate controller of a not-for-profit organization. It can not be denied that the executive director is involved on a more day-to-day basis with the workings of the organization. He or she is hopefully more fully visible to those who come into contact with its purpose and can be essential in foreseeing problems that may prevent the organization from reaching its goals. The executive director under all researchable structures answers to the leadership and decision making of the board of directors, though. Although the executive director provides expertise to the board of directors, the interdependent relationship of the two structural bodies is controlled by the board of directors. Not only is the purpose of the not-for-profit executive board misunderstood and or underestimated by casual associates of the cause, but many who serve the board of directors are not fully trained to understand the responsibilities and expectations of his or her executive board. Examining the different structures, sizes, leadership positions, and methods of clarifying the mission of a not-for-profit board of directors as documented by published research and qualitative experiences may benefit future and even current executive board members. The next chapter will focus on some of the more relevant literature that addresses various issues and responsibilities which are associated with serving on boards of not-for-profit organizations.

Chapter Two

Review of Research and Literature

Responsibilities and Expectations of Executive Boards

By law, the board of directors is held ultimately responsible for the order of affairs and honest conduct of the organization, pertaining primarily to the financial integrity of such a position. George Webster summarized board of director liability to the American Association of Association Executives: "From a purely statistical standpoint, it could be argued that personal liability of directors of associations is not a significant problem. Of all of the thousands of decisions made by association boards of directors, only a very few actually result in liability. On the other hand, you must measure the level of risk against the potential consequences if liability is imposed." (Managing the Non-Profit Organization. Drucker, Peter Ferdinand. Harper Collins: New York, 1990. pg 158.) An article entitled, "Board Members and Risk: A Primer on Protection from Liability," outlines the following that board members should know about liability issues:

State Volunteer-Protection Laws. Historically charitable organizations were not liable for their wrongful conduct. Although the doctrine of charitable immunity did not protect board members per se, existence of the doctrine undoubtedly contributed to a legal custom that inhibited suits against charitable boards. Today, however, practices have changed. In response to recent concern about the liability of volunteers, each of the 50 states has passed volunteer-protection laws that grant immunity from liability for board members in some cases.

Indemnification. An organization may choose to indemnify its board members in the event of legal action by using its own resources to pay for costs associated with some liability suits. This practice, essentially self-insurance,

presumes that the organization has the necessary resources to make the payments, not necessarily a valid assumption in case of all organizations.

General and Other Liability Insurance. Virtually all organizations carry general liability insurance, as well as one or more specialized policies covering auto, property, malpractice, fiduciary, and other areas. Some of these policies cover board members in certain circumstances.

Director's and Officer's Liability Insurance. Director and Officer (D&O) insurance is the type of policy most carefully tailored to cover suits involving board actions. It is designed for the special purpose of protecting board members by paying defense costs, settlements, and judgments in some suits that challenge decisions they have made. This insurance is what concerns trustees most directly. Trends have shown that few board members have been found personally liable in a suit. It is estimated that about 90 percent of all claims against a not-for-profit involve employment-related issues, and claims are almost always settled out of court. (Nonprofit Boards and Leadership: A Practical Guide to Roles, Responsibilities, and Performance. Duca, Diane J. Oryx Press: Phoenix, AZ, 1986. pg. 32.)

Yet, there is a larger presumption that governs the obligation a member must hold to the greater good of the mission.

"The moral assumption is that the affairs and conduct of an organization as a public steward. The board, in other words, should see that the organization serves the interests of the larger community." (Drucker, pg. 191.) The aforementioned moral obligation is the expectation that a board of directors will oversee programs and establish standards that ensure the mission is accomplished. It is expected that a board of directors will be dedicated to the organization prior to service, and as a member, be ready to accept ultimate responsibility for the organization's achievements and failures.

Duca describes eight of the most basic responsibilities board members must accept in Nonprofit Boards:

1. To clarify the organization's mission.
2. To interpret the mission statement to the public and enhance the organizations public image.
3. To approve goals and objectives.
4. To establish policies and other guidelines for operation.
5. To be legally responsible for all aspects of operations.
6. To ensure the organization's financial stability and solvency.
7. To hire and support the executive director and assess his or her performance.
8. To evaluate the performance of the organization and of the board itself. (Duca, pg. 45)

In accepting these responsibilities, a member must be prepared to dedicate time to understanding the day-to-day workings of the organization, its role in the community, and its strengths and weaknesses. It is sometimes easy for not-for-profit organizations to become cyclical in this respect. For example, the American Red Cross of Delaware County may be traditionally prone to focus its first of the year efforts on ARC Month in March and tornado safety programs. The organization uses summer months to target recreational safety and CPR knowledge for high school students who are not attending classes. The organization may be utilizing fall and winter months to discuss with and educate the public on fire safety issues and how to be safe in sub-Arctic temperatures. With this example in mind, it would be quite easy for a board of directors to focus on the season at hand and fiscal responsibilities and overlook the need to re-examine the organization's annual functions. Therefore, clarifying the mission of the organization is the primary function and task charged to the board of directors.

Clarifying the mission

Such as the aforementioned American Red Cross example suggests, the lack of clarification of the mission by a board of directors will be the downfall of a board's foremost function as described by Duca. The mission defines what the desired results are, without it the organization lacks the ability to change with the environment. Change is the only constant. Lack of flexibility or constraint in the re-evaluation process may lead to complacency or dysfunction. Many boards devote a lot of time to this and find that external events can make refinement of the mission necessary. In doing so, the board must come to more than a written statement of the mission. They must come to a shared definition of the mission to run effectively and establish priorities of direction. "If a board fails to find joint meaning for the mission, it is not surprising to find either a board on which members may be working hard but pulling different directions or a board not working very hard at all because individual board members do not know which way to direct their efforts." (Executive Leadership in Nonprofit Organizations: New Strategies for Shaping Executive-Board Dynamics. Herman, Robert D. and Heimovich, Richard D. Jossey-Bass: San Francisco, 1991. pg. 94) Heimovich and Herman offer three criteria for shaping the broader statements of a mission:

1. The mission should reflect a deeply felt sense for the present and desirable future state of the organization; it should make a statement for a preferred future of those who have a stake in the organization. A well defined mission will help the board look past good works and into efficiency.
2. The mission needs to be understood as both strategic and lofty. The strategic aspects make the mission realistic, credible, lofty, and evokes passion.
3. The mission must be shared and understood by all. (Herman and Heimovich, pg. 101)

Board mission will help to signify meaning of the organization. Yet, it is specific missions that will give directions to the major activities which the organization must engage. Heimovich and Herman offered this anecdote of a board that could not come to terms with its mission:

“A non-profit trolley company was founded primarily to provide a regular transport service for tourists, connecting specific places of interest in the city. The board of the company found itself split over the issue of whether the company should apply for a Department of Transportation grant that would provide safety training for its drivers. Both the president of the board and the executive director advocated seeking the grant and had been told by the department that it would be receptive to an application. A second opportunity to obtain government funds was presented to the board by a suburban city that was willing to pay for a subsidized extension of operations beyond the existing service area to an important tourist site in the suburb. The offer from the suburban city meant not only government subsidization of another kind but an exciting opportunity for major growth in the services of the company.”

“The president and chief executive, who both embraced these two opportunities, began preparing the grant application and started initial negotiations with the suburban city. They were then confronted by two powerful, founding board members who were concerned that these two opportunities would lead to a significant change in “the philosophy of the company,” as they put it. A board retreat was called by the president and chief executive.”

“It became clear at the retreat that the board disagreed significantly about what it meant to provide public transport service and the extent to which the company could or should be supported by public funds. At the most fundamental level, there were differences in the basic definition of the mission of the organization. One of the founding board members argued that it was not by

accident that they called themselves “a company.” It was intended from the beginning that the company be operated “solely from the sale of its services and not receive financial assistance from businesses, foundations, or government,” as he put it. This board member took great pride in the fact that the trolley company had so far made it on its own and had not “been a drain on foundations monies or public dollars.” As he argued, “We never intended the trolley to be on the public dole. It was a public service, but a service which would pay its own way.”

“Newer board members agreed that the trolley was a public service... The founding board member prevailed, and a decision was made to pursue neither opportunity. However, because of uncertainty about the future of the company and the inability to explore new opportunities for growth, the executive director began to pursue alternative plans for employment and the board president no longer played a major leadership role in moving the board in new directions. The board decided that it would oversee the “best little bus company in town,” with a focus on efficient operation and marketing of its existing routes to maximize its income.” (Herman and Heimovich, pg. 98-100)

In order to ensure the practicality of the mission and avoid anecdotes such as the aforementioned, a board should identify all constituencies of the organization and develop long term goals and short term objectives for each constituency. The mission should be a comprehensive plan, more than just a public statement to make volunteers and staff passionate about the cause.

In clarifying the mission, though, a board must be aware and plan to evaluate how the performance of goals are defined, as is suggested in the strategic planning model. “It is not enough for not-for-profits to say, ‘We serve a need.’ The really good ones create a want.” Drucker offers the following cautions to not-for-profit executive boards:

A board of directors, like a business, must utilize specialized skills within the board to function properly. Board members must be able to offer expertise in one or more areas of personnel, administration, finance, programming related to the not-for-profit, public relations, and community relations. Since members serve these functions on the job, it may be necessary to approach them with an attitude about volunteerism in this capacity which is employed by the Girl Scouts of America. "It might seem impossible to for-profit executives who are already working 60 to 70 hours per week, but three hours spent in an entirely different activity might do the trick. Precisely because they are over worked, they need extra and different parts of themselves to work in off hours, both physically and mentally." This theory employed by the Girl Scouts is supported by demographic research completed on board members in Colorado, which indicated that citizens with higher incomes, more education, and better jobs are more likely to participate. (Duca, pg. 67) They are the activists throughout the community, including 88 percent of board members with a least four or more years of college, 43 percent with incomes exceeding \$40,000 and 75 percent who owned their own home. It is important to keep the financial stability of candidates for an executive board since fundraising is an intricate part of the board's function. (Duca, pg. 69.) If the board doesn't actively lead in the fund development process, it has failed to complete a primary function. "Personally, I like a board that not only gets other people to give money but whose members put the organization first and foremost on their own list of donations. It is also key that boards recruit members who are proven leaders." (Welcome to the Board. Howe, Fisher. Jossey-Bass Publishers: San Francisco, 1993. pg. 42.)

"Jesus picked 12 apostles rather than 60 because he would have never gotten anything done. There is a rule in human affairs that the gap between the leaders and the average is very constant." (Drucker, pg. 171)

The selection of new members should be a time of reflection for the board and much more than just a time to fill open positions. Every three to five years, board members should be rotated out of the system. "The mission of the organization needs to be welcoming to change, flexible. The board needs to be open to the mission. If the board becomes inflexible, you have to look for ways of renewing the board with two or three key people who change the balance of power. The more power is concentrated in a few people on the board, the more likely the situation will be unhealthy." (Howe, pg. 31)

With the needs of the board in mind, a new member selection committee should:

1. Assess and list personal characteristics needed on the board.
2. Develop procedures for identifying, recruiting, and selecting future board members.
3. Identify upcoming vacancies and candidates.
4. Set up and complete initial interviews with candidates. (Duca, pg. 55)

After interviews with candidates and board discussion, board members are selected in four ways:

1. Invited by current board members.
2. Appointed by an outside authority.
3. Elected by the general public.
4. Selected by members of an association. (Duca, pg. 58)

After new board members have been selected, each new member should be oriented to the make-up of the board which he or she had joined and what role is expected of his or her service. An introduction of all members, how long his or her service is on the board and career background at the first meeting may be adequate for small or medium boards.

Beyond knowing fellow board members, it is key for new members to understand the organization. A tour of the organization's offices and facilities by a current board member will help a new member meet staff, understand issues and challenges, and observe day-to-day functions. A new board member should expect to receive a board manual, which

would include a constitution or articles of incorporation for the organization, bylaws, description of organization's programs, schedule or plan of board's work, board roster, list of committees with purpose and duties of each, an organizational chart, a current budget and board minutes from the previous year. (Howe, pg. 69)

As a member of the board, the responsibilities of service vary. All in all, active board membership can range from regular attendance at meetings, a fundraising letter to friends, and some research about how to most effectively reach senior citizens in a specific publicity campaign. The key term is active membership. It is important that board members do not become satisfied with the way things have always been done and success of the mission as is. Board members should take the most basic service of attending meetings and asking important questions seriously. Finally, asking what an individual board member can do to further the mission of the organization by going over and above the attendance of meetings is key.

Chapter Three

Qualitative Interviews and Interpretations

Qualitative Interviews

A warm smile and a serious tone were present at each quantitative interview of local board members. The people who get involved in boards of directors, according to Sandra Worthern, are the “complete activists.” “You find a lot of the same faces in a lot of different organizations. They are there because they value the services that non-profits provide to the community.”

The warm smile represented the activist’s commitment to the community, which thankfully included being a part of this project. The serious tone accentuated the fact that the commitment to a not-for-profit executive board is more than a line of a resume. It is a promise to the community to foster and perpetuate the organization to fulfill its function. Each board member interviewed was quick to point to a knowledge of the organization and a person’s role on the board as advice to potential board members. “It is important to be very, very dedicated to doing more than what is expected of you. It is critical not to say yes unless you can commit yourself to the organization. Once you have said yes, do it all the way and have fun,” Joan Anderson said.

Overall each board member had positive experiences as a trustee, but each had experienced frustration on the fundraising end of the board membership. “Unfortunately, about 80 percent of what we do right now is fundraising,” John Dalton said. “The general trend right now with labor going down is that not-for-profits are hurting financially. For the last three to five years, we have had more and more trouble making ends meet. Our pool of resources is draining...We haven’t been able to meet a lot of our financial goals, so a lot more of our time has had to be dedicated to the cause.” Knowing the financial responsibilities of the role was a delusion that each board member would caution others to prior to making a commitment. Some organizations need less fund raising than others, however, finding an appropriate match for potential board members’ skills may be wise.

For instance, the United Way is completely focused on raising money for other organizations. Whereas, Day Star uses other avenues for much of its funding needs.

Finding a board that fits the individual and knowing fully the obligation involved is the first step of becoming a complete activist. The following interviews help characterize some of Muncie's board members and the demographics and opinions that accompany the responsibility.

John Dalton is a Big Brothers/Big Sisters Board Member.

Why did you become a board member?

I wanted to be a part of the direction of the organization. I had been a part of the organization as a volunteer for 10 years, so I was dedicated to the organization.

What skills do you think you bring to a board?

I think they asked me originally because of my background in television production. I have had some contact with the media, which is very helpful to any non-profit. I produced a training video for them originally, and I had been involved with the organization for a long time.

How often does your board meet?

Once a month. Committees are supposed to meet once a month separately, but that doesn't always happen. We are trying to get more done in our meetings now by going to implied agendas. This way we won't waste time approving minutes and other things when we could be making and discussing decisions.

How large is your board?

We have gone from 12 to 20 members to try and expand our base. Specifically, we needed to bring on more people who were willing to do the work. We had a portion of the members who were lawyers and bankers, who were just involved to do community service for their vita. We needed people who were going to do more than just add it to their resume, and we needed to have people to help represent our constituency. We needed labor representatives, minority groups, church members, teachers, and people with connections.

How does your board select new members?

The board has an ad hoc committee that examines what the needs of the organization are. They pick people to fill our needs and bring them on as a class. The recruitment process is a year long process. We picked up eight new members this year to help with our fundraising needs and to help give us a better multicultural view point in the community.

Please describe your board orientation period.

We have an informal meeting over lunch on a Saturday, about four hours or so. They can ask questions, and we give them an overview about what would be expected of them as board members. Then we have a formal meeting after they have decided to join the board, and we have an orientation folder to further explain the organization and outline specific committees and dates.

How much of your position is a fundraising role?

Unfortunately, about 80 percent of what we do right now is fundraising. The general trend right now with labor going down is that not-for-profits are hurting financially. For the last three to five years, we have had more and more trouble making ends meet. Our pool of resources is draining... We haven't been able to meet a lot of our financial goals, so a lot more of our time has had to be dedicated to the cause.

Do you find the meetings to be productive?

We try to keep the meetings between 5:30-7 p.m. We have been tightening the meetings to be sure that we have time to hear from all of the committees each meeting. Otherwise, we end up not discussing important issues before they happen. Since we have gone to the new agenda, we have been able to get more things decided as a group. I wish people had more time. Unfortunately, most people need or want to leave when they expect the meeting to be over with, and that is a challenge.

What day-to-day functions do you oversee or make decisions on?

Our five-year plan has just ended so right now my focus is on long-range vision. Other than that, I leave day-to-day functions to the executive director and the staff. I only really get involved if there is some kind of crisis situation the director would like advice on.

Do you have a term limit?

We have three year term limits, but you can stay on the board after that for up to three terms. You are expected as a board member to become a member of the executive council of the board during the third year of your term. It is the feeling of the board that after two years leadership is more feasible. The system has worked out well because people have a chance to get out if they need a break.

Please describe your understanding of the legal obligations of a board member.

There are a lot of legal issues that we especially have to be concerned with because we are a mentoring program. We do some background checks, personality tests, and a home visit before we allow a big brother/big sister volunteer to be matched with a child.

Unfortunately, sometimes that may not be enough. It is a sensitive issue, but as board members, we need to be very cautious.

What do you see as the definable purpose of the board?

We are responsible for long-range planning and vision. Board members need to have and feel comfortable using a lot of connections to raise funds. Furthering the mission of the organization is conceivable with these functions of the board.

How often does the board discuss the overall mission of the organization?

Unfortunately, we don't discuss it enough. There are so many fires to put out financially and otherwise that we have trouble taking the time to look at the big picture.

Describe the role of the executive director at board meetings.

The executive director is accountable to the board for actions of the organization on a day-to-day basis. The board is accountable to the executive to see that the needs of the organization and the direction are met.

How much of the organization's programming do you attend/how visible are you in this position?

We don't have any requirements of board members to attend the social-type functions of the organization. I still suggest that all of the board members try to attend those once in a while and get to know the kids. I don't think that bond is as strong as it should be in some cases. If you know why you do this on that level, it makes some of the burdens easier to deal with.

What frustrations have you had as a board member?

I think apathy of other board members is hard to deal with, and our financial frustrations are hard. I have been pretty disappointed with the lack of response we have had in this community to help out and become active volunteers. When the president called for people to get involved with non-profit organizations, we were one mentioned. I was optimistic to think it would trickle down. Unfortunately, we still have about 70-100 males waiting to be matched.

What advice would you like to give a future board member?

You shouldn't be talked into it. You should take a good look at the strengths and weaknesses of the organization and how you personally can help. You need to be honest with your motives. If you can't look in your heart and find a reason to be involved and better the organization, you shouldn't even start. It is easy to look at a \$10,000 deficit and walk away, but if you want to do it for the right reasons and make a difference, it is worth it.

Sandra Worthen has been a board member for the United Way, Day Star, and Christian Ministries of Delaware County.

Why did you become a board member?

It was a time in my life when I was able. My children are gone, and I am not employed outside of my home. I really haven't been able to get a job over the past few years because I want to be able to travel with my husband when possible. Unfortunately, I have to be very flexible, more flexible than a full-time job would allow. I have been able to substitute not working by getting involved and participating in the community. I have tried to get involved with agencies where I can make a contribution by doing something that is close to my heart. I like to get involved with the organization on a smaller scale to see if it speaks to me, and then decide if I would be interested in joining the board. I am much happier doing the work involved and more productive, if the organization is a good match for me.

What skills do you think you bring to a board?

I am not part of a big business or a corporation. I try to be a representative of the community. I can be a model for others because I have had some background in other organizations and other boards. I have had some experience with the legislature in other states and can offer some insight on how things are done, which is especially helpful for new organizations. I try to be conscious of board attendance, and I want to always be sure to do my share of the work involved.

How often does your board meet?

Once a month.

How large is your board?

We have 18-24 board members for the United Way board. We are brought in by classes, which has worked out well. This way members are able to learn the ropes before taking on leadership positions. It helps us to keep people of all classes involved in different committees to avoid high turnover in one area or another.

How does your board select new members?

We (United Way) have a nominating committee made up of out-going and past members that takes a look at the board. They survey the board's needs and select a pool of possible community members. They try to meet and talk with members of the university, accountants, labor representatives before they develop a final list and call. The Christian Ministries of Delaware County is a little more based on having members from every church.

Please describe your board orientation period.

The United Way does an excellent job of this. They have a separate, formal session to go over by-laws, charts on how the board works, and a calendar of committees. The Christian Ministries does a board retreat so you get some of that information and get to know the others well.

How much of your position is a fundraising role?

There is always fundraising. The purpose of the United Way is to raise money. At Day Star it is not our prime purpose because we have a modest tuition for the seniors who are part of the program. We do a letter campaign once a year and apply for other grants.

Do you find the meetings to be productive?

Our meetings are well organized, which makes the time go by quicker. We don't waste time anymore with minutes and balances. We have modified the agenda to allow for more discussions.

What day-to-day functions do you oversee or make decisions on?

I don't think that a board should ever be involved in this capacity. It is important that you are involved enough to understand how the organization works and who some of the people are. You don't need to be involved day-to-day to know that, though. Good administrators are important.

Do you have a term limit?

People have to be able to serve long enough to know how the board and the organization functions. All of the boards I know of have a three-year term for that reason.

Please describe your understanding of the legal obligations of a board member.

In most insurance cases, the board is not held personally liable for accidents or incidents. It is important for the not-for-profit to assure the agency is at fault and not individuals.

What do you see as the definable purpose of the board?

Trustees for an agency look at the programs, goals, mission statement, and the overall purpose. The mission responsibility and financial responsibility are essentially the board's promise to the community.

How often does the board discuss the overall mission of the organization?

We may not do major reviews all that often. The United Way does a big redefinition of the goals and mission every few years. Whereas, at Day Star, the mission is much clearer, so we don't spend as much time talking about it.

Describe the role of the executive director at board meetings.

The executive director needs to be the key person at the meetings to report the happenings since the last meeting. You need to be able to depend on them for updates on upcoming events, policies, problems, and the number of clients you are reaching. The board has an interdependent relationship with the executive director. An executive director brings concerns to the board to seek direction.

What frustrations have you had as a board member?

I think it is frustrating when you don't have all of the information available to you to make good decisions. Most of the boards I have been a part of have been well run. When you start an organization and you are in the early stages, as I have been with Day Star, it is hard to deal with a lack of direction sometimes.

What advice would you like to give a future board member?

You should take this responsibility very seriously. You need to do your homework and ask tough questions. If you can't do this, you shouldn't be involved. Boards don't need people to be yes-men. They need people to make things happen. They need good financial people.

Joan Anderson has been involved with the YWCA and the Waphani Girl Scout Council locally. She has also been involved in training and consulting boards of directors nationally for the Girl Scouts.

Why did you become a board member?

I joined to make a contribution. The same would be true for a large majority of people who get involved with boards.

What skills do you think you bring to a board?

When I started getting involved with the Girl Scouts, I got a master's degree in management information systems, which is similar to what they call an MBA today. I felt like I needed those management skills to be as effective as possible. Non-profits are big business now. I was working with a half-million-dollar-budget.

One of the biggest problems that I see when I do board training and consulting for the Girl Scouts is a board's inability to separate governing and management. Most of the problems stem from the board trying to do day-to-day operations.

How often does your board meet?

The Symphony and the Girl Scouts meet bi-monthly. The YWCA meets every month.

How large is your board?

Both the Girl Scouts and YWCA had about 30 members when I first got involved, but the trend now is for smaller boards. Both boards are down around 22 right now. The Symphony is a college and community cooperative, so there are some ex-officio positions involved. One of the things about board involvement is that its hard to have enough people with contacts on the financial end of it.

How does your board select new members?

The Girl Scouts have a nominating committee, which some do better than others at recruitment. The process should be a year-long, constant process. Too many times a committee will be tired after recruiting a new class and won't start right away. One problem that we are having now in women's organizations is dealing with the working women trend. We have difficulty accommodating their schedules. Like the YWCA used to meet at 9 a.m., but now we meet at 8 a.m. in hopes that women will come to the meeting and go to work late. Unfortunately, that cuts into a young mother's time to get a baby ready or have a spouse look after the children. It is a challenge to find people that can attend the meetings. It is ideal to look to the people who are already involved and dedicated to the organization to find board members.

Please describe your board orientation period.

I have been running six-hour board training periods on Saturdays. It is usually from 9 a.m.-2 p.m. In that time, we try to cover understanding of the organization itself and the chartering system involved with Girl Scouts. We have a handout covering the 10 basic responsibilities of a board member.

How much of your position is a fundraising role?

Fundraising is not one of my strengths. I always be sure to preach it as a major responsibility, but I am not as good as I should be. I think people need to be aware up front that this is a primary responsibility of a board member.

Do you find the meetings to be productive?

Having an agenda helps to avoid idle chit-chat. Busy people get involved in boards, and they have somewhere else to be. It is important to keep things going so they don't feel they are wasting their time. You have to always try to get things done on a regular schedule because people will get up to leave when it is supposed to be over. A big thing to stress is that executive director and board president both keep things brief.

Please describe your understanding of the legal obligations of a board member.

Anything that a board does as a group, whether you as a member agree or disagree you are responsible for. You can abstain from voting or have the secretary note your objection, but you are a part of the vote and the board. You must insure that the organization does not do anything illegal, like not use the right chemicals in a pool or fake tax records. The executive takes care of these things, but it is the board's responsibility.

What do you see as the definable purpose of the board?

The trustees must set policies for the organization to fulfill the mission. They must find the resources to provide for the policies.

How often does the board discuss the overall mission of the organization?

Not often enough. We do long-range planning every five or six years, which is not enough either. The mission of the organization is printed on everything, but evaluations and new goals are what will make it happen.

Describe the role of the executive director at board meetings.

The executive needs to give management reports and how he or she is achieving objectives. He or she needs to bring up problem situations that may effect the success of the organization. Providing background information is also a big part of the position.

How much of the organization's programming do you attend/how visible are you in this position?

I think there are two types of visibility: community visibility and social. The community visibility is what helps with the fundraising needs, so it is important. The open houses and the other social aspects are important too. I think it is great, but it is also not completely necessary.

What frustrations have you had as a board member?

One is board members who do not attend meetings and are upset with a vote or action. You lose your right to complain in my point of view. I am also frustrated when people are negative about an idea because it hasn't worked in the past. Things change and success can too.

What advice would you like to give a future board member?

It is important to be very, very dedicated to doing more than what is expected of you. It is critical not to say yes unless you can commit yourself to the organization. Once you have said yes, do it all the way and have fun.

Barbara Demaree has been involved with the Hospital Hospitality House locally and has served as national president of the organization.

Why did you become a board member?

I was a teacher for a number of years. I like to lead people I think if you are a teacher you have to be a leader, and I was interested in community issues. You must like working and the concept of the organization. I like the service and being part of a group that promotes a cause. I thought I could help them be more effective.

What skills do you think you bring to a board?

I think anyone brings a wide-variety of past experiences. I think you have to be dedicated to the cause and work hard to further the organization. I think my experience with teaching helped to bring a leadership background. Ball State had given me that too. The United States is unique because we have so many non-profits. We are the only country to value it this much. I think that boards are sometimes forced to bring on members that are not necessarily going to do a lot of the work, but they have a lot of contacts.

How often does your board meet?

Once a month.

How large is your board?

We have always had 15 members.

How does your board select new members?

We take a look at the loop holes and gaps. Every board needs to have a lawyer involved, and then there are some other specialties depending on what type of a board we are talking about. Usually, though, we are looking for people with contacts that can help fill our needs.

Please describe your board orientation period.

When I became president, I developed an orientation program for the first time, but unless the next president keeps the program alive, there isn't much more you can do. It just doesn't happen. A few presidents haven't had the leadership background and foresight to see the importance of making sure people know what is going on. The board orientation that I started was pretty simple. I gave each new board member a notebook that included the history of the organization, the by-laws, our expectations for them as board members, profiles of other board members and others. I would ask them to take the time to read it on their own. We would get together and talk about it, and I would answer questions.

How much of your position is a fundraising role?

Fundraising is a constant non-profit activity. Unless you are a part of an umbrella organization that can help to ease the burden, you are going to be faced with fundraising activities. We are in the middle of two fundraisers right now, and they are a lot of work. Some organizations have a "sugar daddy," which would be nice.

Do you find the meetings to be productive?

Many times non-profit board volunteers are so busy that the meetings can seem cumbersome. It is very important that the president be organized and take the initiative to make the meetings productive. Many times there are a core of members who will attend all of the meetings and do all of the work. Some of the others are not necessarily bad members. They were just selected because they have a lot of contacts on the fundraising end. You have to appreciate that. We usually have a core of about seven people that you can depend on to pull their weight. They will be there, and if the president has a agenda, the meetings can be very productive.

What day-to-day functions do you oversee or make decisions on?

I am usually trying to keep in contact with other committee members between meetings to follow up on things that I agreed to do or get information or updates. If you are the treasurer of the organization, you are inevitably working all of the time with the financial end. If you are the president your are calling to check with committees to see that things are being followed up on. They also have to meet without he executive director a little more regularly.

Do you have a term limit?

We have three-year term limits with a renewal option.

Please describe your understanding of the legal obligations of a board member.

When I first went on the board, the legal side was not as worrisome as it is now. Now, there have been suits against non-profits and boards. There are laws in some states, including Indiana, to relieve the board of liability, in many situations. If you are found guilty of negligence, though, you can be sued, which is something new in the last eight years or so.

What do you see as the definable purpose of the board?

To carry out the policies of an organization.

How often does the board discuss the overall mission of the organization?

We should think about it constantly. The mission should being constant consideration with every decision made, which is unrealistic.

Describe the role of the executive director at board meetings.

It varies. Executives are asked to play different roles depending on the organization and its size. They need to do whatever it takes to follow the board's activities and run the day-to-day operation.

How much of the organization's programming do you attend/how visible are you in this position?

Since I am on the executive committee right now, I get my nose into everything. When I vote on the budget, I want to make sure that I agree with it. When we have social or service functions, I try to be there.

What frustrations have you had as a board member?

My biggest (frustration) is seeing others on the board that don't do their part. You have to be careful about it, though. You never want to insult anyone or hurt people's feelings. Some people aren't meant to do the work. Everyone must fill a different role. I think it's always frustrating when an executive director quits because you have to start over in a lot of ways.

What advice would you like to give a future board member?

Before you join, know the organization, the mission, and the expectations for you. Join a board you could enjoy and have a real interest in the concept and goals. Always remember that strategic planning is very important. It should be done at least every three years. When you do it, make sure not to alienate the past experiences of the organization. Hospitality House is having the same problems it had in 1986 on a national level because they haven't taken the time to research or utilize past experiences.

Interview Conclusions Personal interviews with board members of various backgrounds, organizations, and view points produced an amazingly similar set of perspectives on service to a non-profit board of directors. Each of the interviewees had similar insight into fundraising, day-to-day oversight of the not-for-profit, and board apathy.

Fundraising brought up a general theme that was discussed at length in each interview: commitment. It was mentioned on more than one occasion that no one really likes to ask others to commit hard-earned money to a specific organization on his or her request. This task, though, is none the less a big part of the commitment to a non-profit board. The board members were quick to advise potential board members to be aware of the fundraising tasks involved and of all other expectations of the position. "Many times there are a core of members who will attend all of the meetings and do all of the work," Barbara Demaree said. "Some of the others are not necessarily bad members. They were just selected because they have a lot of contacts on the fundraising end. You have to appreciate that. We usually have a core of about seven people that you can depend on to pull their weight." Fundraising, although unpleasant, is part of the job, but each board member expressed frustrations with other's unwillingness to fulfill his or her board responsibilities. All in all, each interviewee said that a potential board member must be willing to dedicate time and patience to the board. Otherwise, the board member will not benefit the organization or himself or herself.

Questioning the interviewee about his or her role in the day-to-day decision making of the organization was supposed to key in on a major problem noted by many non-profit boards. Being involved with the day-to-day operations can cloud a board member's judgment on the long-term planning, mission questions, and focus on management leadership, which was pointed out in the literature review. Each of the interviewees recognized this situation as a potential problem and stressed his or her role as an advisor.

Finally, board apathy was generally the most frustrating part of board service, and it was also a reason that the board members were very willing to participate in this project. They wanted potential board members to know that the obligations in consideration are serious. Less than a 100 percent effort to the board does not benefit anyone according to the interviewed sources. "You shouldn't be talked into it," John Dalton said. "You should take a good look at the strengths and weaknesses of the organization and how you personally can help. You need to be honest with your motives. If you can't look in your heart and find a reason to be involved and better the organization, you shouldn't even start. It is easy to look at a \$10,000 deficit and walk away, but if you want to do it for the right reasons and make a difference, it is worth it."

Chapter Four:

Summary and Conclusion

Summary and ConclusionsIn conjunction with the purpose of this thesis, potential board members can examine the basic obligations and expectations of service to a non-profit board of directors. As described in the second chapter, Duca summarized the most basic of the eight expectations of board members as:

1. To clarify the organization's mission.
2. To interpret the mission statement to the public and enhance the organizations public image.
3. To approve goals and objectives.
4. To establish policies and other guidelines for operation.
5. To be legally responsible for all aspects of operations.
6. To ensure the organization's financial stability and solvency.
7. To hire and support the executive director and assess performance.
8. To evaluate the performance of the organization and of the board itself. (Duca, pg. 45)

The significance of being forewarned of these responsibilities is perhaps the primary key of the entire paper, which has been touched on in nearly every facet of research. Board members need to be dedicated to furthering the mission of the organization with financial, time management, and research considerations. If a potential board member has not taken the time to understand the information involved with making such a commitment or has not been encouraged to do so by a sponsoring organization, the partnership will not be successful. The not-for-profit relies on its board of directors to make sound financial, programming, and other planning decisions. Without this

function, the organization will not be able to strive to meet greater goals and may not survive at all.

With the non-profit industry on the rise in America today, more and more board members will be in demand. The demographic information on board members shows that the more educated, affluent, and socially conscious segments of society are primary candidates for board membership. With a growing need and changing missions, the complete activists that run boards must be willing to take on this responsibility. Secondly, they must be willing to recruit board members who will represent a wide-variety of opinions and will make the same, well-educated and considered decision to join the board.

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